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ABSTRACT

The Connecticut Jobs First welfare reform initiative, implemented statewide in 1996, includes a 21-month time limit on cash assistance, generous financial work incentives, and other features. Its primary goal is to reduce welfare use and increase self-sufficiency through work. To facilitate evaluation of the program, between January 1996 and February 1997, several thousand welfare applicants and recipients were assigned, at random, to one of two groups: the Jobs First group, or the Aid to Families with Dependent Children (AFDC) group, which is subject to the prior welfare rules. Data collected in early 2000 from the program's implementation and estimates of its impacts on employment, public assistance receipt, income, and other outcomes was analyzed to determine the Jobs First's impact after 3 years. Key findings were the following: (1) Jobs First continues to have a positive impact on employment; (2) Jobs First generated substantial reductions in cash assistance receipt and payments in Year 3; (3) the Jobs First and AFDC groups had about the same average income in Year 3, although, consistent with the program's goals, the Jobs First group derived a greater proportion of its income from earnings; (4) the most impressive employment gains continue to be experienced by the most disadvantaged subgroup; and (5) only a small fraction of the Jobs First group received benefits continuously through the 3 years, and many of those who did worked while on welfare. A final evaluation will follow the groups for 4 years and examine Jobs First's impacts on the children of participants. (KC)

Three-Year Impacts of Connecticut's Jobs First Welfare Reform Initiative

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The Authors

Executive Summary

This document was prepared as part of a large-scale evaluation of Connecticut's Jobs First welfare reform initiative. Implemented statewide in 1996, Jobs First includes a 21-month time limit on cash assistance receipt, generous financial work incentives, and other features. Its primary goal is to reduce welfare use and increase self-sufficiency through work. The Jobs First evaluation is being conducted by the Manpower Demonstration Research Corporation (MDRC), a nonprofit, nonpartisan organization, under a contract with the Connecticut Department of Social Services (DSS).

To facilitate the evaluation, between January 1996 and February 1997, several thousand welfare applicants and recipients in two DSS offices (Manchester and New Haven) were assigned, at random, to one of two groups: the Jobs First group, which is subject to the welfare reforms, or the Aid to Families with Dependent Children (AFDC) group, which is subject to the prior welfare rules. The two groups are being tracked over time, and any differences that emerge between them – for example, in employment rates or welfare payment amounts – can reliably be attributed to Jobs First because there were no systematic differences between the groups' members when they entered the study, and because both groups have experienced the same general economic and social conditions. Such differences are known as the program's *effects* or *impacts*.

In early 2000, MDRC completed a comprehensive interim report on Jobs First, including data on the program's implementation and estimates of its impacts on employment, public assistance receipt, income, and other outcomes, in the two years after people were assigned to the two groups.¹ This report updates the impact estimates through three years of follow-up. Key findings include:

- **Jobs First continues to have a positive impact on employment.** The Jobs First group had higher employment rates and higher average earnings than the AFDC group in the first two years of the follow-up period, and this trend continued in Year 3. However, it appears that the program's impact on employment began to fade in Year 3, and its impact on average earnings disappeared by the end of that year.
- **Jobs First generated substantial reductions in cash assistance receipt and payments in Year 3.** Though Jobs First initially increased cash assistance payments due to its generous financial work incentive (a rule that allowed many people to retain their welfare grants after going to work), the pattern reversed when Jobs First group members began to reach the 21-month time limit near the end of the second year of follow-up. In Year 3, Jobs First *reduced* cash assistance receipt by 21 percent and reduced average cash assistance payments by 19 percent.
- **The Jobs First and AFDC groups had about the same average income in Year 3 although, consistent with the program's goals, the Jobs First group derived a greater proportion of its income from earnings.** Jobs First substantially raised family income in the period before people began reaching the time limit; the financial work incentive allowed

¹Dan Bloom, Laura Melton, Charles Michalopoulos, Susan Scrivener, and Johanna Walter. 2000. *Jobs First: Implementation and Early Impacts of Connecticut's Welfare Reform Initiative*. New York: MDRC.

many people to supplement their earnings with welfare grants. The pattern changed abruptly when people began reaching the time limit and, in Year 3, reductions in cash assistance and Food Stamps almost entirely offset increases in earnings, leaving the two groups with about the same income. In addition, a small group of families appeared to be losing income as a result of the program. However, it is important to note that the overall pattern of Year 3 results was consistent with the program's primary goal of increasing work and reducing reliance on welfare.

- **The most impressive employment gains continue to be experienced by the most disadvantaged subgroup.** In Year 3, Jobs First increased employment by 12 percentage points and earnings by 40 percent among those who entered Jobs First as long-term welfare recipients with no high school diploma and no recent work history. However, due to growing declines in AFDC/TFA benefits (presumably as the most disadvantaged sample members began to reach the time limit in larger numbers), early increases in total income for this subgroup disappeared in Year 3. In sharp contrast, sample members who were least disadvantaged seemed to experience little benefit from Jobs First.
- **Only a small fraction of the Jobs First group received benefits continuously through the three years, and many of those who did worked while on welfare.** Although many of the recipients who reach Jobs First's time limit are granted extensions, only about 6 percent of the Jobs First group received 35 or 36 countable months of cash assistance during the three-year study period (in other words, they received welfare more or less continuously and were not granted exemptions that stopped their time-limit clocks). When compared with other Jobs First group members, the continuous recipients were less likely to have a high school diploma, had longer histories of welfare receipt before entering Jobs First, and had more children. There were also much more likely to be African-American and to live in public or subsidized housing. Many of these individuals worked a substantial amount during the follow-up period, although their earnings were low. If this group is of concern, especially as the 60-month federal time limit approaches, DSS and its employment services partners will probably need to target them for special intensive services.

For the most part, the updated findings show a continuation of trends apparent at the end of the follow-up period for the interim report. However, more definitive evidence about the long term effects of Jobs First will have to wait for the final report, scheduled for late 2001. The final report will follow the groups for four years, present the results of a survey of about 2,400 Jobs First and AFDC group members, and examine Jobs First's impacts on the children of participants. Because there are still several critical open questions, and because the final report will be available relatively soon, it would seem prudent to delay making major changes in Jobs First until the final results of the study are known.

I. The Jobs First Program and Evaluation

A. The Jobs First Program

Connecticut's Jobs First program is a statewide welfare reform initiative that began operating in January 1996. The program's primary goal is to reduce welfare use and increase self-sufficiency through work.

To this end, Jobs First was one of the earliest statewide programs to impose a time limit on welfare receipt: Families are limited to 21 months of cash assistance unless they receive an exemption or extension (this is the shortest time limit in the nation). The program also includes generous financial work incentives: Welfare recipients who go to work are allowed to keep their entire cash assistance grant as long as their earnings do not exceed the federal poverty line. Jobs First also requires recipients to participate in employment-related services targeted toward rapid job placement and includes a number of other reforms designed to encourage employment.²

Jobs First was initiated under waivers of federal welfare rules that were granted before the passage of the 1996 federal welfare law; how the program fares over time may provide important lessons on the likely results of welfare reforms implemented in other parts of the country in response to the federal law.

B. The Jobs First Evaluation

This report has been prepared as part of a large-scale evaluation of Jobs First being conducted by the Manpower Demonstration Research Corporation (MDRC). The evaluation is funded under a contract with the Connecticut Department of Social Services (DSS) — the agency that administers Jobs First — and with support from the U.S. Department of Health and Human Services, the Ford Foundation, and the Smith Richardson Foundation. The study focuses on two welfare offices — Manchester and New Haven — which together include more than one-fourth of the state's welfare caseload. MDRC is a nonprofit, nonpartisan organization with over a quarter century's experience designing and evaluating programs and policies for low-income individuals, families, and communities.

Between January 1996 and February 1997, several thousand welfare applicants and recipients (most of them single mothers) were assigned, at random, to one of two groups: the *Jobs First group*, whose members are subject to the welfare reform policies, and the *Aid to Families with Dependent Children (AFDC) group*, whose members are subject to the prior welfare rules. Because people were assigned to the groups through a random process, any differences that emerge between the two groups over time — for example, in employment rates or average family income — can reliably be attributed to Jobs First. Such differences are known as *impacts*.

²The emphasis on rapid job placement for most recipients has diminished somewhat over time as the state has shifted to a "balanced work first" approach. However, the individuals in the research sample, who entered the program in its early months of implementation, were typically required to look for jobs for an extended period before being considered for education or training activities.

C. About This Report

This is the fourth report in the Jobs First evaluation. The earlier reports, completed in 1997, 1998, and 2000, examined the implementation and early impacts of Jobs First. This report updates Jobs First's impacts and also presents some data on the characteristics of families who have remained on welfare throughout the follow-up period.

The report follows the two groups for three years, well beyond the point when Jobs First group members began reaching the time limit.³ The study's final report, scheduled for late 2001, will follow the groups for at least four years, and will be accompanied by updates of the implementation story, results from a comprehensive survey administered 36 months after random assignment, and a separate analysis of the effects of Jobs First on children.

The report's analysis focuses on the full sample of 4,803 parents who were assigned to the two groups in the two research districts: 3,628 in New Haven and 1,175 in Manchester.⁴ About half the sample was randomly assigned to the Jobs First group (2,396 cases), and the other half was randomly assigned to the AFDC group (2,407 cases).

Most statements about the effects of Jobs First on earnings and employment are based on information that employers submitted each calendar quarter⁵ to the unemployment insurance (UI) system in Connecticut. Because employers are given about six months to report earnings to the UI office, most impacts on employment and earnings presented in this report use earnings information through June 2000, or twelve quarters after random assignment for the full sample.⁶

Most statements about welfare benefits are based on information from the Eligibility Management System (EMS), Connecticut's computerized public benefits system. For each case and for each month through June 2000, the system provided information on AFDC, Temporary Family Assistance (TFA), and Food Stamp amounts.⁷ Although information was available for each month, outcomes related to public assistance are presented by quarter to make them comparable in presentation to information from the UI system.

³Jobs First group members began to reach the time limit in the 21st month after random assignment, which falls in quarter 7. Therefore, the results presented in this update include 5 quarters of follow-up in the period after some families began reaching the time limit. The impact estimates in the 2000 interim report covered two years for the full research sample and 2 ½ years for an early cohort of parents randomly assigned in the first half of 1996.

⁴The sample of 4,803 does not include child-only cases, two-parent cases, or cases that had been randomly assigned as part of A Fair Chance, Connecticut's earlier attempted AFDC waiver evaluation.

⁵January through March form the first calendar quarter; April through June form the second; July through September the third; and October through December the fourth.

⁶In fact, thirteen quarters of follow-up data are available, and are used in the report's figures. However, for simplicity, the tables focus only on the first 12 quarters (three years) of follow-up.

⁷TFA is the cash assistance program established to replace AFDC in Connecticut. Thus, members of the Jobs First group receive cash assistance through TFA and members of the AFDC group receive AFDC. In most cases, the report refers to both types of payments as "cash assistance" or "AFDC/TFA."

The administrative records used in this report do not measure all of the income that sample members' households received. The final report will include more detailed measures of income derived from survey data.⁸

D. Highlights of the Findings from the Previous Report

Key findings from the Jobs First interim report include the following:

- The main features of Jobs First were successfully put in place in the research sites, but the program was not implemented very intensively.
- Most Jobs First group members did not reach the time limit within two and a half years after enrollment. Of those who did, more than half were granted at least one six-month extension. Most of those whose cases were closed at the time limit were employed.⁹
- Jobs First increased employment rates and earnings throughout the follow-up period; impacts were particularly large for the least job-ready clients. In the first part of the study period, Jobs First substantially increased both welfare receipt and family income; as individuals began to reach the time limit, the program began to reduce welfare receipt and the income gains diminished.

The remainder of this report is divided into four sections. Section II presents the updated impacts of Jobs First for the full research sample. Section III presents the impact results for several key subgroups. Section IV examines the characteristics of sample members who remained on welfare continuously during the follow-up period. Section V discusses the implications of the results.

II. Impacts on Employment, Public Assistance Receipt, and Income

This section presents an updated assessment of Jobs First by exploring the effects of the program on sample members' earnings and employment, use of public assistance, and income over a three-year follow-up period.

With the benefit of three years of follow-up it is clear that Jobs First has been a program with two stories: a pre-time limit story and a post-time limit story. Before people began reaching the time limit, Jobs First increased employment. This could be due to some combination of the program's man-

⁸Although administrative data contain accurate information, they have several important limitations. First, they are limited to activity in the State of Connecticut. If parents move away from Connecticut but continue to receive public assistance, they will be counted as if they are not receiving assistance. If they work outside Connecticut, they will be counted as if they are not working. Second, the UI system undercounts employment and earnings because some types of jobs are not included in the UI system. Third, administrative records provide information on public assistance, employment, and earnings, but not on other important outcomes that might be affected by the program. Fourth, administrative records do not provide information on the activity or income of other household members.

⁹Under the rules of Jobs First, recipients who make a good faith effort to find employment but have income below the welfare payment standard (the maximum grant for their family size) are granted (renewable) six-month benefit extensions. MDRC's interim report found that nearly all of the recipients who reached the time limit with income below the payment standard were deemed to have made a good faith effort and received at least one extension.

datory employment services, its enhanced disregard, or to anticipation of the program's time limit. Before the time limit, Jobs First also increased use of cash assistance. This is a natural consequence of the program's enhanced earnings disregard: Jobs First allows most welfare recipients who work to remain on public assistance until the 21-month time limit. Because Jobs First significantly increased the percentage of sample members who combined work and welfare, Jobs First significantly increased income from earnings and public assistance during this period.

Although the initial impacts of Jobs First were favorable, a fuller understanding of the effects of the program is now emerging. More families have now reached the time limit and information is available for a longer period for families who have reached it. By the end of Year 3, nearly half of the families in the Jobs First group had reached the time limit (although many of them received extensions of their benefits).

In the five quarters after people began reaching the time limit, Jobs First substantially reduced usage of cash assistance, and that effect appeared to grow somewhat stronger over time. Employment and, to a lesser extent, earnings, also continued to be increased by the program in the period after the time limit set in. However, the growing reductions in public assistance largely offset earnings increases. Therefore, sample members' combined income from earnings, welfare, and Food Stamps was about the same under Jobs First as under AFDC in Year 3.

A. Overall Impact Patterns

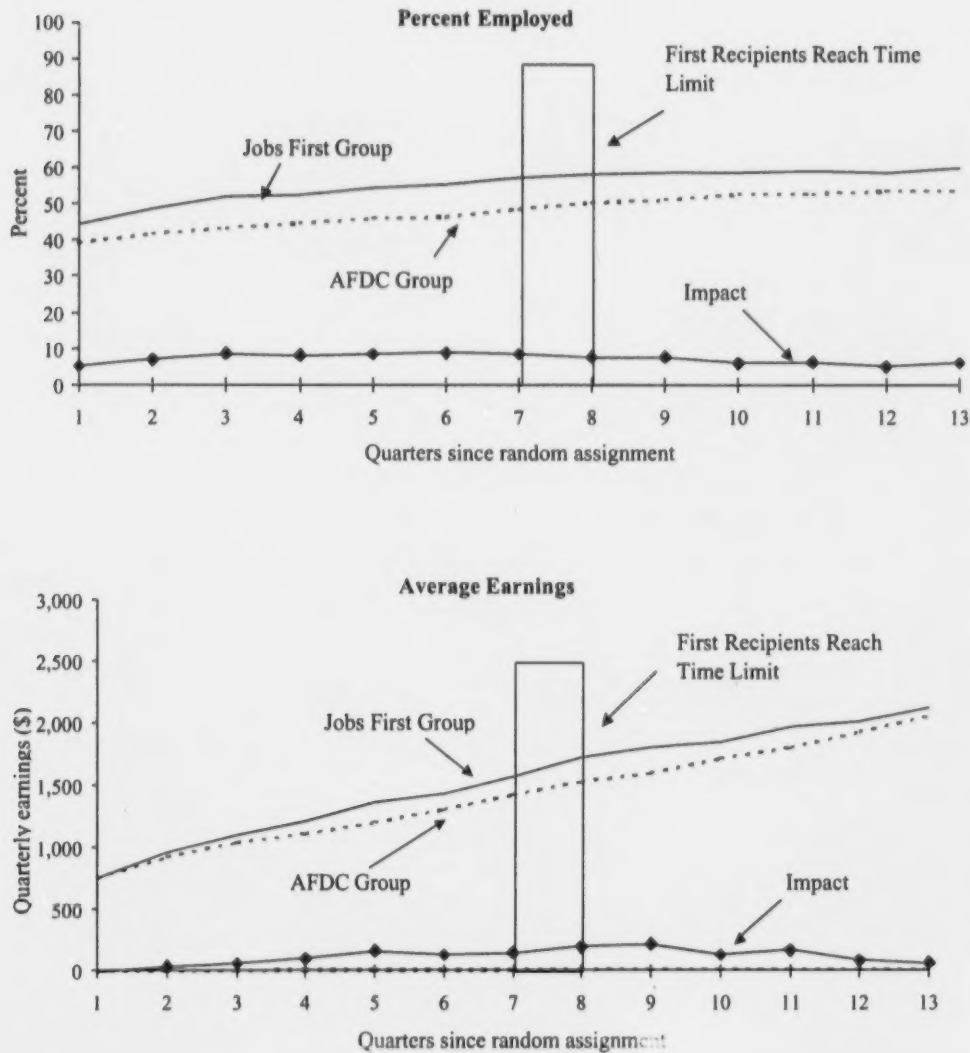
To provide a quick sense of the impacts, several figures compare the employment, earnings, welfare use, welfare benefit levels, and income of the Jobs First and AFDC groups. To explore the impacts in further depth, the results are then presented in several tables. Finally, the report explores the impacts of Jobs First on a variety of subgroups.

1. Earnings and employment. In the top panel of Figure 1, the dashed line shows the proportion of the AFDC group employed in each of the 13 quarters that followed random assignment. Perhaps because of the strong economy, the employment rate was fairly high for the AFDC group, just under 40 percent, in the quarter of random assignment. Employment then increased for the AFDC group over time even though the group did not have the incentives, requirements, and supports of Jobs First and even though it never faced or encountered a time limit.¹⁰

In the first few quarters after random assignment, however, a gap opened up between the two groups as employment for the Jobs First group (the solid line) increased faster than employ-

¹⁰Approximately 7 percent of the AFDC group was subject to the time limit and other Jobs First policies at some point in the follow-up period, in most cases because they moved and received benefits in another DSS office that did not maintain the AFDC group. In addition, perhaps because of the national debate about welfare reform and because time-limited welfare became the policy in the rest of Connecticut and in most of the nation, analysis in the interim report found that a number of individuals in the AFDC group mistakenly thought they were subject to a time limit. These beliefs might have affected the behavior of the AFDC group and, consequently, the estimates of the impacts of Jobs First, particularly in the period before people began reaching the time limit.

Figure 1
Connecticut's Jobs First Program
Quarterly Employment and Earnings



SOURCE: MDRC calculations using Connecticut unemployment insurance (UI) earnings records.

NOTES: The sample includes members randomly assigned between January, 1996 and February, 1997.

Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

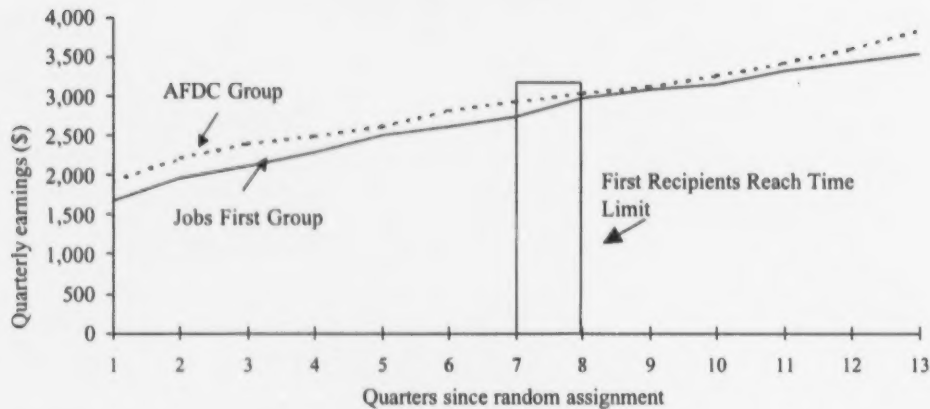
ment for the AFDC group. This gap indicates that the program began to have an impact on employment.

No families reached the Jobs First time limit until month 21, which occurred in quarter 7 as indicated on the figure. Therefore, an important period in this figure is the period from quarter 6 — before any families had reached the time limit — to quarter 8, the first quarter after some families had reached the time limit. Comparing the program's impact during these two periods provides the first glimpse of the effect of the time limit. The figure shows that employment increased slightly for both groups between the two periods, but the gap between the two did not grow. Thus it appears that the time limit had no additional impact on employment when people began losing benefits. This is largely because most of the people whose benefits were terminated at the time limit were already working. (Of course, the time limit may have caused earlier increases in employment if Jobs First group members got jobs in anticipation of having their benefits cut.) After the time limit set in, the employment impact decreased slightly but, as will be discussed below, was still statistically significant through quarter 13. Most other studies of welfare-to-work programs have also found that employment impacts diminish over time.

Although the upper part of Figure 1 shows that Jobs First quickly produced an impact on employment, the lower part shows that the impact on average earnings emerged more slowly and was sustained for a briefer period of time. Initially, the program had almost no effect on earnings even though it noticeably increased employment. Earnings impacts began to emerge near the end of the first year of follow-up, but then faded in Year 3.

To interpret this pattern, it is important to understand that the earnings amounts are averages for the entire Jobs First and AFDC groups, including sample members who did not work. Thus, in Year 1, when Jobs First increased employment but not earnings, employed people in the Jobs First group must have earned less, per quarter, than employed people in the AFDC group (this is shown in Figure 2).

Figure 2
Connecticut's Jobs First Program
Quarterly Earnings Among Those Employed



SOURCE: MDRC calculations using Connecticut unemployment insurance (UI) earnings records.

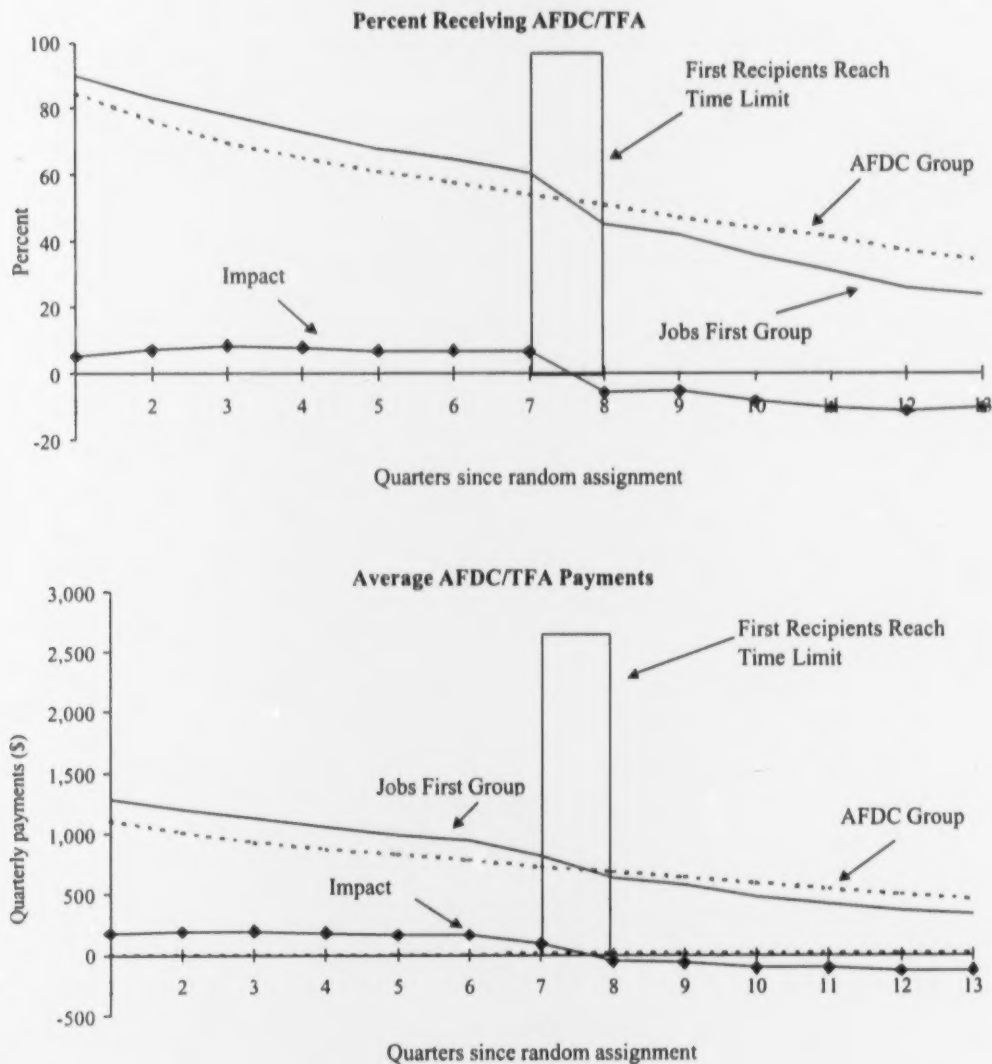
NOTES: The sample includes members randomly assigned between January, 1996 and February, 1997. This is a non-experimental comparison.

Analyses presented in the interim report concluded that this was because the people who went to work because of Jobs First (i.e., those who would not have worked without the program) mostly worked in low-wage and/or part-time jobs. This is not surprising, because the people who would not have worked anyway were likely to have lower levels of skills and work experience. As these individuals gained skills through work experience, it is possible that employers rewarded them with higher wages or more hours of work — a possible explanation for the emergence of earnings impacts in Year 2. By the end of Year 2, as Figure 2 shows, earnings among employed people in the two groups were about the same.

The decline in earnings impacts during Year 3 is most likely attributable to two parallel trends. First, as noted above, the employment impact faded somewhat during that year. Second, for reasons that are not clear, the average earnings of employed Jobs First group members again fell below those of employed AFDC group members (see Figure 2). The final report will include a more detailed analysis of job characteristics to gain a better understanding of this trend.

2. Cash assistance. The top panel of Figure 3 shows that Jobs First initially generated a fairly substantial increase in the percentage of people receiving cash assistance (AFDC/TFA). This is not surprising because the program slightly loosened the criteria for initial eligibility for cash assistance and, more importantly, allowed working Jobs First group members to retain their entire welfare grant as long as their earnings remained below the poverty line.

Figure 3
Connecticut's Jobs First Program
Quarterly AFDC/TFA Receipt and Benefit Amounts



SOURCE: MDRC calculations using Connecticut AFDC/TFA records.

NOTES: The sample includes members randomly assigned between January, 1996 and February, 1997.

Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

For both groups, receipt of cash assistance declined gradually between quarter 1 and quarter 7, but the impact of the program (i.e., the gap between the lines) stayed about the same through this period. In quarter 8, however, the first full quarter after families began reaching the time limit, there was a dramatic change. While the AFDC group, which was still entitled to cash assistance, continued its gradual decline in use of cash assistance, the Jobs First group showed a sharp decline in its use of cash assistance. As a result, the earlier increases in cash assistance caused by the program turned into a small decline. This decline continued through the end of the follow-up period and was somewhat larger by quarter 13.

The same pattern is evident for quarterly cash assistance payments, as shown in the lower part of Figure 3. The program immediately began to increase payment amounts, and the impact remained relatively constant through quarter 6. In quarter 7, as some cases were closed, the gap in payment amounts narrowed. In quarter 8, the gap disappeared and was replaced by a small negative impact on payment amounts. Between quarter 8 and quarter 12, the gap widened rather substantially.

To further explain the trends in cash assistance receipt and payment impacts, Figure 4 provides information about how quickly Jobs First group members reached the time limit. The upper (solid) line shows the percentage of the Jobs First group that had received at least 21 months of cash assistance. The lower (dashed) line shows the percent that had reached the time limit (i.e., received at least 21 *countable* months of assistance). The gap between the lines is explained by the fact that some Jobs First group members were exempted from the time limit for part of the follow-up period; thus, some of their months of cash assistance receipt did not count toward the time limit.¹¹

The lower line shows that 29 percent of the Jobs First group reached the time limit in the 21st month after random assignment — in other words, after continuous benefit receipt. As discussed in the interim report, a little under half of these people had their benefits canceled at that point, explaining the abrupt change in the impact patterns shown in Figure 3.

By the 36th month after random assignment, nearly half of the Jobs First group had reached the time limit. Although detailed data are not available, it appears that at least two-thirds of those who reached the time limit were granted at least one extension, either at the point they reached the time limit or at some later point.¹² It is important to note, however, that most of the recipients who were granted

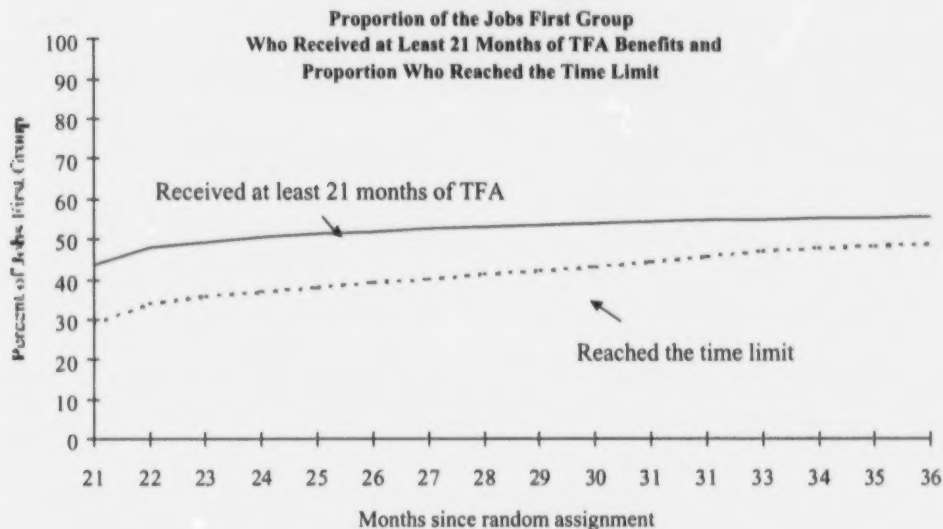
¹¹Statewide, the largest category of exempt cases are child-only cases in which no adult is included in the TFA grant calculation. However, as noted earlier, this analysis does not include child-only cases. Thus, the exemptions referred to in the discussion of Figure 4 were granted for other reasons, such as medical problems.

¹²Recipients can be granted an extension when they reach the time limit if they have income below the payment standard and have made a good-faith effort to find employment (or if circumstances beyond their control prevent them working). However, individuals who are denied an extension when they reach the time limit (for example, because their income is above the payment standard) may be granted an extension later if their income drops and they continue to meet the other criteria. The interim report examined 100 cases that reached the time limit, finding that 57 were granted an extension or exemption immediately; 5 others were initially denied an extension but received one within the subsequent 15 months. Thus, in all 62 of the 100 were allowed to receive benefits after reaching the time limit. Detailed data are not available for this report, but it appears that this figure may have risen slightly with longer follow-up. Of the Jobs First group members who received at least 21 months of countable TFA benefits, at least two-thirds received 22 or more countable months, indicating that they were granted at least one extension.

extensions did not remain on welfare indefinitely. For example, of those who reached the time limit by the end of Year 2 of the follow-up period, only 30 percent were still receiving TFA benefits at the end of Year 3.¹³

Figure 4

Connecticut's Jobs First Program



SOURCE: MDRC calculations using Connecticut AFDC/TFA records.

3. Combined income. One of the key questions about time-limited welfare is whether individuals will suffer income losses after they reach a program's time limit. Figure 5 provides an early answer to this question for Jobs First by showing the impact of the program on combined income from earnings, cash assistance, and Food Stamps. Because this measure includes income only from the three administrative records sources, it does not include many other sources of income, including other transfer programs, the earned income credit (EIC),¹⁴ or private transfers such as child support, alimony, or other support by family or household members. The program's impact on other sources of income will be examined in the final report.

¹³A similar result was found in MDRC's interim report, which included a detailed examination of 100 cases that reached the time limit. The analysis found that 62 of the 100 cases received benefits after reaching the time limit, but only 25 were receiving benefits 15 months after reaching the time limit.

¹⁴An estimate of the EIC is presented later in this document.

Figure 5 shows that Jobs First increased income immediately. This makes sense, since the previous figures showed that Jobs First increased cash assistance payments immediately but did not affect earnings. In the next few quarters, the program's impact on income increased somewhat, reflecting the growth in its impact on earnings and cash assistance shown in the previous figures.

Interestingly, Figure 5 shows that in quarter 8, after some families had reached the time limit, the program continued to have a positive effect on average income. This does not mean that individuals whose cases were closed had higher income after the time limit than before. Indeed, some sample members did lose income between the two quarters, as indicated by the reduction in average income for the Jobs First group between quarter 6 and quarter 8. The program's impact on income in quarter 8 does mean that Jobs First group members on average had higher income than they would have had under AFDC. To try to understand whether the increase in *average* income is hiding an increase in the number of people with very little income, the distribution of income is examined later in this report.

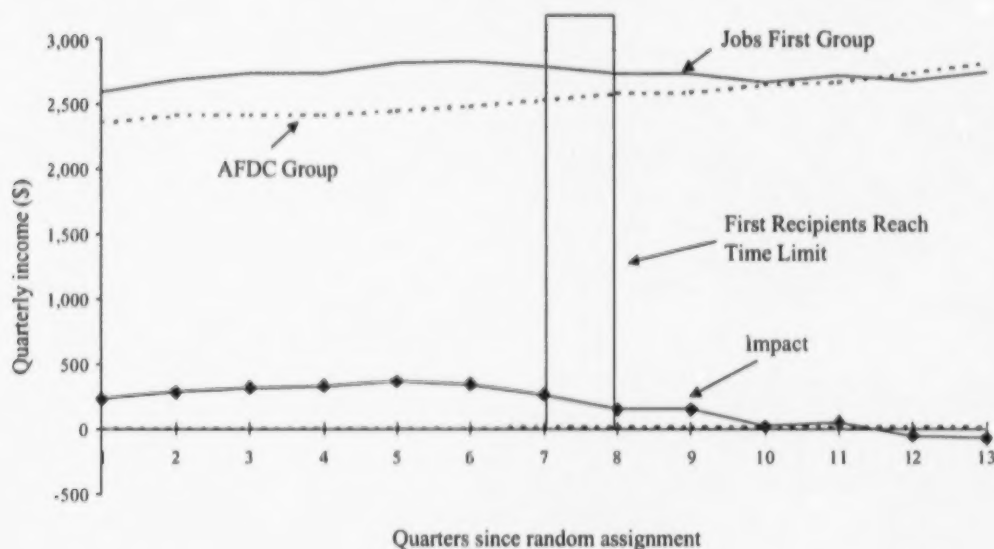
In quarter 9, the program's impact on income was about the same as in quarter 8, as income for both groups stayed at about the same level. In quarter 10, however, there was a striking decrease in the program's impacts on income. While income remained unchanged for the Jobs First group from quarter 9, income continued to increase for the AFDC group, and the impact of the program diminished substantially. This trend continued in quarters 11 through 13 as the impact on income hovered around zero.

These results make it difficult to predict the future impacts of Jobs First. Over time, more individuals will reach the time limit, and those whose cases are closed because of high earnings may lose their job and decide not to reapply for cash assistance. In the long-term, the program might continue to produce about the same income under Jobs First as under AFDC. Alternatively, the reduction in the impact of the program on income at the end of the follow-up period might represent an emerging trend that results in much lower income for the Jobs First group than for the AFDC group. The final report will provide additional information on this issue.

4. Composition of income. Figure 6 is a bar graph illustrating the amount of income that Jobs First and AFDC group members derived from UI-reported earnings, Food Stamp payments, and AFDC/TFA payments during each year of the three-year follow-up period. Each set of two bars corresponds to one year of the follow-up period. The left bar for each year indicates the amount of income for the Jobs First group, and the right bar indicates the amount of income for the AFDC group. The bottom section of each bar indicates the amount of income derived from earnings, the middle section indicates the amount of income derived from Food Stamp payments, and the top section indicates the amount of income derived from AFDC/TFA payments.

Figure 6 shows that, for both the Jobs First and AFDC groups, the distribution of income across the three sources changed dramatically over the follow-up period: Both groups derived a greater and greater proportion of their income from earnings. In the first two years, the Jobs First group had higher total income, but the two groups derived about the same fraction of their income from earnings. In Year 3, the pattern changed: Total income was almost the same for the two groups, but the Jobs First group derived nearly 71 percent of its income from earnings, com-

Figure 5
Connecticut's Jobs First Program
Average Quarterly Total Income from Earnings, AFDC/TFA, and Food Stamps



SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

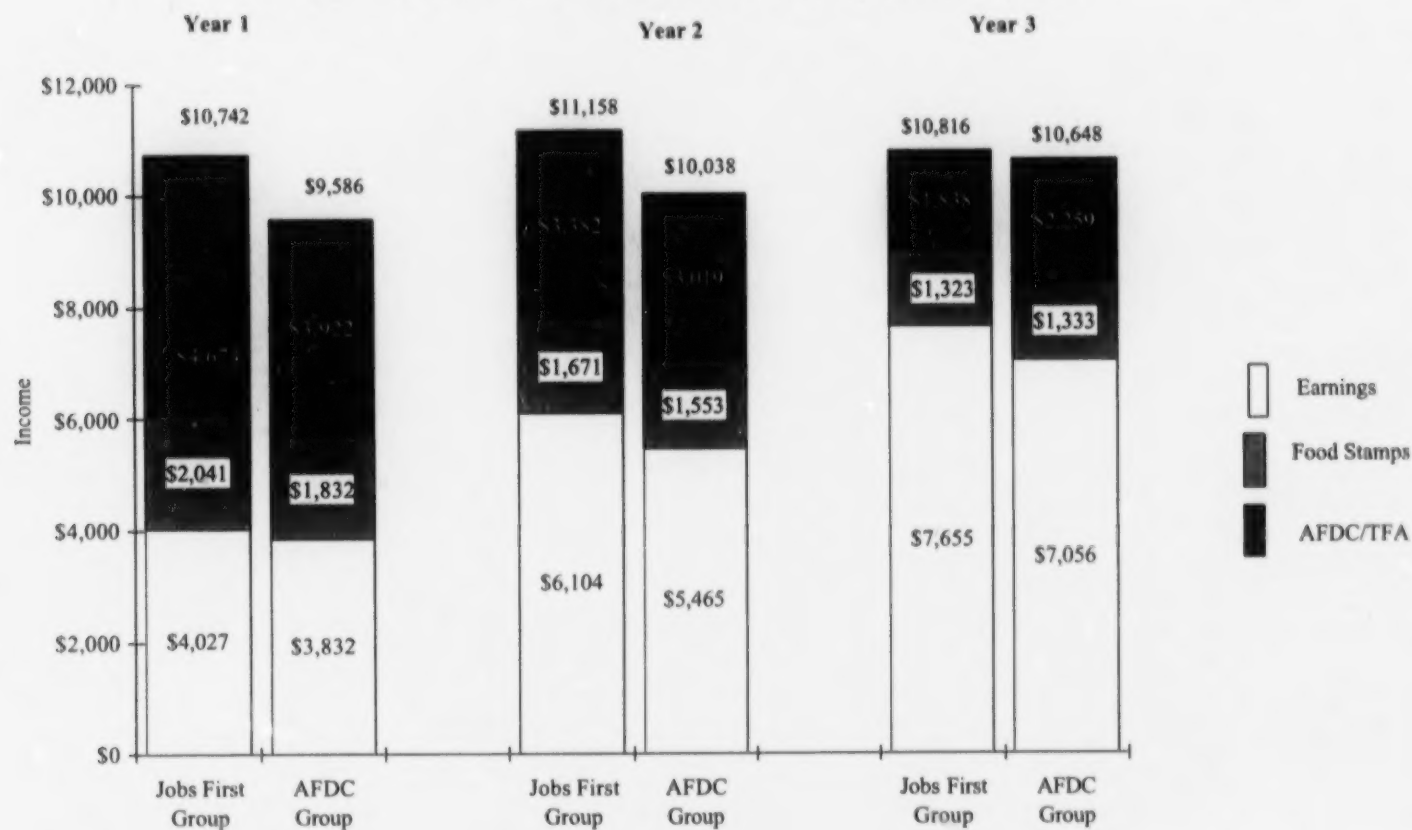
NOTES: The sample includes members randomly assigned between January, 1996 and February, 1997.

Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

Figure 6

Connecticut's Jobs First Program

Composition of Income for Jobs First and AFDC Group Members, by Year



SOURCES: MDRC calculations from Connecticut unemployment insurance (UI) earnings records, AFDC/TFA records, and Food Stamp records.

pared with about 66 percent for the AFDC group. In other words, during Year 3, Jobs First did not increase income, but did generate an increase in self-sufficiency.

B. Detailed Impacts on Earnings, Cash Assistance, and Combined Income

Table 1 summarizes the impacts that were described in the previous sections. The table is divided into panels, based on year of follow-up. Results for the first year of follow-up are entirely within the pre-time limit period. Results for the second year represent the period immediately before, and immediately after the first Jobs First families reached the time limit. The third year represents a period when many Jobs First families had accumulated enough months of TFA to reach the time limit (see Figure 4, above). The first column shows average outcomes for the Jobs First group and the second column shows average outcomes for the AFDC group. Impacts are shown in the third column and are calculated as the difference between the regression-adjusted outcomes of the two groups.¹⁵

1. Employment, earnings, public assistance, and income in the first two years. Figure 1 indicated that Jobs First increased employment in the period before any families had reached the time limit. Table 1 verifies this finding. In Year 1, the average quarterly employment rate was 7.2 percentage points higher for the Jobs First group. In Year 2, the impact was 8.4 percentage points. The asterisks indicate that both impacts are statistically significant at the 1 percent level.¹⁶ As suggested by the earlier figures, earnings increased more in Year 2 than in Year 1. While earnings increased by about 5 percent in Year 1, earnings increased by nearly 12 percent in Year 2 (a statistically significant increase).

Other impacts of Jobs First in the first two years are as one would expect. Owing to the enhanced disregard, receipt of cash assistance and average cash assistance payments were higher in the Jobs First group than in the AFDC group. Because earnings below the poverty threshold are also ignored when determining Food Stamp payments under Jobs First, the program also increased Food Stamp benefit amounts.

¹⁵All outcomes and impacts presented in this chapter use ordinary least squares regressions to adjust for differences in demographics and prior behavior between the Jobs First and AFDC groups. Because random assignment ensures there are no systematic differences between the groups prior to random assignment regression adjustment should cause only small changes in the estimated impacts. However, regression adjustment may result in more precise estimates that allow differences in outcomes between the two groups to more reliably be attributed to Jobs First rather than chance. Covariates in the regression model include quarterly employment, quarterly earnings, and quarterly AFDC payment amounts, all for the four quarters prior to random assignment and all taken from administrative records.

¹⁶The concept of statistical significance is used to assess whether a difference can confidently be attributed to the new policy. In results in this report, an impact is said to be statistically significant at the 10 percent level if there is less than a 10 percent chance that the estimated impact could have stemmed from a program with no real effect. Statistical significance is also presented at the 5 percent and 1 percent levels. Statistical significance does not directly indicate the magnitude or importance of an impact estimate, nor does it indicate that the program definitely had an effect; it indicates only whether differences in policies are likely to have caused the differences in outcomes that are seen between the Jobs First and AFDC groups. In an evaluation such as this one, numerically small impact estimates are usually not statistically significant. Some numerically large impact estimates may also not be statistically significant, however, particularly when sample sizes are small or there is great variation across individuals in the outcome being measured.

Table 1
Connecticut's Jobs First Program
Impacts on Employment, Earnings, Welfare Use, and Income

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Year 1				
Average employment rate (%)	49.4	42.3	7.2 ***	17.0
Average earnings (\$)	4,027	3,832	195	5.1
Average percent receiving AFDC/TFA (%)	81.1	73.9	7.2 ***	9.8
Average AFDC/TFA payments (\$)	4,674	3,922	752 ***	19.2
Average percent receiving Food Stamps (%)	80.7	77.8	2.9 ***	3.7
Average Food Stamp payments (\$)	2,041	1,832	209 ***	11.4
Average income from earnings, AFDC/TFA, and Food Stamps (\$)	10,742	9,586	1,156 ***	12.1
Year 2				
Average employment rate (%)	56.2	47.8	8.4 ***	17.5
Average earnings (\$)	6,104	5,465	639 ***	11.7
Average percent receiving AFDC/TFA (%)	59.6	55.8	3.7 ***	6.7
Average AFDC/TFA payments (\$)	3,382	3,019	363 ***	12.0
Average percent receiving Food Stamps (%)	65.0	63.4	1.6	2.6
Average Food Stamp payments (\$)	1,671	1,553	118 ***	7.6
Average income from earnings, AFDC/TFA, and Food Stamps (\$)	11,158	10,038	1,120 ***	11.2
Year 3				
Average employment rate (%)	58.8	52.5	6.3 ***	12.0
Average earnings (\$)	7,655	7,056	600 **	8.5
Average percent receiving AFDC/TFA (%)	33.6	42.3	-8.8 ***	-20.7
Average AFDC/TFA payments (\$)	1,838	2,259	-421 ***	-18.7
Average percent receiving Food Stamps (%)	50.8	53.4	-2.6 **	-4.8
Average Food Stamp payments (\$)	1,323	1,333	-10	-0.8
Average income from earnings, AFDC/TFA, and Food Stamps (\$)	10,816	10,648	168	1.6
Sample size	2,396	2,407		

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January, 1996 and February, 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

The program increased earnings, cash assistance payments, and Food Stamp payments during this period and thus increased sample members average combined income from the three sources by more than \$1,000 in each of the first two years.

2. Employment, earnings, public assistance, and income in Year 3. The bottom panel of Table 1 shows impacts of the program in the third year. Year 3 falls wholly in the period after Jobs First families started to reach the time limit. As discussed earlier, by the end of Year 3, almost half of the Jobs First group had reached the time limit.

Reflecting the fact that many families lost their benefits at the time limit, the third panel of Table 1 shows that the impact of Jobs First on cash assistance payments is in the reverse direction in Year 3. In Year 3, Jobs First group members were over 20 percent less likely to receive TFA in the average quarter, and received nearly 19 percent less in TFA payments over the full year.

Table 1 also shows that the impact on Food Stamps payments fell from a positive 7.6 percent in Year 2 to slightly negative in Year 3, and that the employment and earnings impacts were somewhat smaller than the impacts in the first two years.

Due to the reduced public assistance amounts and smaller earnings impacts in Year 3, average income was only slightly higher for the Jobs First group than for the AFDC group. As discussed above, by the end of Year 3, the impact on total income hovered around zero. It appears that the marginally higher earnings generated by the impact of the program on employment sufficiently offset the reductions in cash assistance payments stemming from the time limit, to keep Jobs First group members from experiencing significantly lower income, at least in the first year or so after families began reaching the time limit. However, analysis of the distribution of income, discussed below, suggests that some Jobs First group members began to lose income by the end of Year 3.

This further information on impacts after the time limit suggests that while patterns noticed in the early cohort last year are borne out by the full sample results, the downward trend in the program's impact on income has stabilized near zero. It remains to be seen whether the trend towards slightly negative impacts on income continues or whether impacts remain around zero.

3. How federal taxes affect income. The federal Earned Income Credit (EIC) is a refundable credit for taxpayers with annual earnings up to \$30,095. The EIC was as large as \$3,816 in 1999.¹⁷ Table 1 showed that the Jobs First group and the AFDC group had almost the same average income from earnings and public assistance in Year 3. However, because the Jobs First group derived a greater share of its income from earnings, it seems likely that that group would benefit more from the EIC. Thus, Jobs First's impacts on income might be more positive if federal income taxes were included in the calculations.

Table 2 tests this hypothesis by estimating the amount that each group received from the EIC in Year 3. EIC estimates were based on annual earnings and the number of children in the sample mem-

¹⁷This amount applies to workers raising two or more children in 1999. The maximum credit for a worker with one child was \$2,312.

ber's household at the point of random assignment.¹⁸ For this analysis, it was assumed that all individuals eligible for the EIC would take it up even though the actual take-up rate is less than 100 percent. Estimates of payroll and federal income taxes (but not state taxes) were subtracted from the EIC amount for each sample member.

As expected, the EIC benefited the Jobs First group more than the AFDC group. The first row of Table 2 repeats the last row of Table 1, showing average combined income from earnings and public assistance. The second row shows that the EIC added \$1,075 to the average income of Jobs First group members and \$895 to the average income of the AFDC group. However, after payroll and federal income taxes were considered, the net increase in income was much smaller: \$177 for the Jobs First group and \$36 for the AFDC group. The resulting difference, \$140, means that including EIC income somewhat increases Jobs First's impact on income in Year 3, from the \$168 figure shown in the first row of Table 2 (a 1.6 percent increase over the AFDC group) to the \$309 figure shown in the last row (a 2.9 percent increase), although the difference is still not statistically significant.

Table 2
Connecticut's Jobs First Program
Impact on Estimated EIC and Taxes In Year 3

Outcome	Jobs First Group	AFDC Group	Impact
Total income from earnings, AFDC/TFA, and Food Stamps	10,816	10,648	168
Estimated EIC	1,075	895	180 ***
Income and payroll taxes	-898	-859	-39
Net taxes	177	36	140 ***
After tax income	10,993	10,685	309
Sample size	2,396	2,407	

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January, 1996 and February, 1997. A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

This analysis assumed that all sample members who were eligible for the EIC received it. However, the EIC estimates are based only on the sample members earnings, rather than household earnings.

¹⁸The number of children in the household might have changed since random assignment, but no later data are available at this point. Also, it is important to note that these estimates do not include the earnings of other people in sample members' households, or non-UI covered earnings, and thus may not accurately reflect the household's EIC amount.

4. Distribution of income. Even though *average* income was essentially the same for the Jobs First group and the AFDC group in Year 3 — and higher through most of the follow-up period — this might hide substantial variation in the impact of the program on different individuals. It is possible, for example, that some members of the Jobs First group who reached the time limit would have fared better under AFDC even while the program continued to increase the income of other sample members.

Investigating this issue requires looking at the distribution of income rather than its average. Table 3 presents such a comparison. The upper panel of the table presents the distribution of income in the last quarter of Year 1 (quarter 4) for the Jobs First and AFDC groups, as well as the impact of the program on the distribution. As in Table 1, the income measure includes earnings reported to the UI system, cash assistance amounts, and the cash value of Food Stamps. As a result, it does not include many other sources of income. The second and third panels present the distribution of income in the last quarters of Year 2 (quarter 8) and Year 3 (quarter 12).

A program that increased the income of some people without reducing the income of others would reduce the number of people with relatively low income and increase the number of people with relatively high income. This is the pattern seen in the last quarter of Year 1, which is the pre-time limit period when income was much higher for the Jobs First group than for the AFDC group. During this quarter, the Jobs First program substantially reduced the number of people with income between \$1,501 and \$3,000 from 51 percent of the AFDC group to 39.6 percent of the Jobs First group. At the same time, the program increased the proportion of sample members with income exceeding \$3,000 in the quarter, to 39 percent of the Jobs First group, from less than 27 percent of the AFDC group.

A program that increased the income of some people but reduced the income of others would yield a different pattern. It would increase the number of people with relatively low income as well as the number of people with relatively high income. This is the more complicated pattern shown in Table 3 for the last quarter of Year 2, just after families began reaching the time limit: More people had income between \$1 and \$1,500 in the Jobs First group than the AFDC group (14.6 percent of the Jobs First group compared to 11.9 percent of the AFDC group). At the same time, more people had relatively high income exceeding \$4,500 in the quarter (18.8 percent of the Jobs First group compared to 14.5 percent of the AFDC group). Where did these people come from? The table indicates that the program resulted in fewer people with income between \$1,501 and \$3,000 (30.8 percent of the Jobs First group compared with 40.2 percent of the AFDC group), which suggests that some sample members who would have had income between \$1,501 and \$3,000 had income below \$1,500 because of Jobs First, but other people who would have had income between \$1,501 and \$3,000 had higher income because of the program.

Finally, a program that reduced the income of some people but increased the income of many fewer people would increase the number of people with relatively low income but reduce the number of people with higher income. This is the pattern seen in quarter 12. Jobs First increased the number of sample members receiving no income¹⁹ or less than \$1,500 in income by slightly more than

¹⁹It is important to remember that these individuals most likely had other sources of income, even though they had no earnings or public assistance in the Connecticut administrative records system.

Table 3
Connecticut's Jobs First Program
Distribution of Measured Income^a in Selected Quarters

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Income in the last quarter of Year 1				
\$0	10.1	10.1	0.1	0.8
\$1-\$1,500	11.7	12.5	-0.7	-5.8
\$1,501-\$3,000	39.6	51.0	-11.5 ***	-22.5
\$3,001-\$4,500	22.8	17.2	5.6 ***	32.3
More than \$4,500	15.8	9.2	6.5 ***	70.6
Income in the last quarter of Year 2				
\$0	15.4	14.4	1.0	6.9
\$1-\$1,500	14.6	11.9	2.7 ***	22.6
\$1,501-\$3,000	30.8	40.2	-9.4 ***	-23.4
\$3,001-\$4,500	20.4	19.0	1.4	7.4
More than \$4,500	18.8	14.5	4.3 ***	29.8
Income in the last quarter of Year 3				
\$0	20.0	17.9	2.2 **	12.2
\$1-\$1,500	17.2	14.3	2.9 ***	20.4
\$1,501-\$3,000	22.8	30.2	-7.4 ***	-24.6
\$3,001-\$4,500	18.1	17.1	1.0	5.7
More than \$4,500	22.0	20.6	1.4	6.6
Sample size	2,396	2,407		

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January, 1996 and February, 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Distributions may not add to 100 percent because of rounding.

^aIncome from earnings, AFDC/TFA, and Food Stamps.

5 percentage points, from about 32 percent of the AFDC group (17.9+14.3) to about 37 percent of the Jobs First group (20.0+17.2). At the same time, the program significantly reduced the number of people with income between \$1,501 and \$3,000 (from 30.2 percent of the AFDC group to 22.8 percent of the Jobs First group), suggesting that some people who would have had income in this range had lower income because of Jobs First. These increases may have been attributable to the fact that some Jobs First group members had their grants canceled despite having income below the payment standard, or they may reflect the fact that some families had income above the payment standard when their benefits were discontinued, but subsequently lost jobs and did not (or could not) return to TFA. It will be important to see whether this trend continues in Year 4.

For policy purposes, it would be useful to identify who lost income because of the Jobs First program. This is a difficult question to answer, however. In quarter 12, for example, 2.2 percent of the Jobs First group appeared to have their income reduced to \$0 (in the administrative records) because of the program, but 17.9 percent of the Jobs First group would have had such low income even in the absence of the program, as indicated by the proportion of the AFDC group with such low income. Many of the 2.2 percent who were affected by the program will have characteristics similar to the 17.9 percent in the same income category who were not affected by the program, making it impossible to know exactly who is one group or the other. In addition, people who lost income are likely to be spread across a wide range of demographic groups, such as white and African-American sample members, high school graduates and nongraduates, long-term and short-term welfare recipients, and so on. We have not been able to isolate one specific demographic group in which the income decreases are concentrated.

5. Combining work and welfare. Table 4 shows impacts of the program on the proportion of the sample combining work and welfare by placing sample members in four mutually exclusive categories: employed and receiving cash assistance, not employed and receiving assistance, employed and not receiving assistance, and neither employed nor receiving assistance. Like Table 3, Table 4 focuses on the last quarter of each year of the follow-up period.

Consistent with the results already discussed, the main effect of Jobs First in the last quarter of Year 1 was to increase the likelihood that an individual would simultaneously work and receive welfare. While 23.2 percent of the AFDC group combined work and welfare, 38.7 percent of the Jobs First group did, for an impact of 15.6 percentage points.

There was a major shift in these numbers between the last quarter of Year 1 and the last quarter of Year 2, a likely result of the time limit. Between these two quarters, the proportion of Jobs First group members who combined work and welfare declined by about 15 percentage points (from 38.7 to 23.8 percent), reflecting the finding (discussed in the interim report) that the time limit closed the cash assistance cases primarily of people who were already working. At the same time, the proportion of the Jobs First group working without welfare increased by over 20 percentage points (from 13.9 percent in quarter 4 to 34.2 percent in quarter 8). This implies that the people whose cases were closed by the time limit continued to work, but stopped receiving cash assistance. This movement is seen most directly in the impact of the program on combining work and welfare, which declined from 15.6 to 3.9 percentage points.

Table 4
Connecticut's Jobs First Program
Impacts on Combining Work and Welfare

Outcome	Jobs First Group	AFDC Group	Difference		Percentage Change
Last quarter of Year 1					
Employed and receiving AFDC/TFA	38.7	23.2	15.6	***	67.1
Not employed and receiving AFDC/TFA	34.3	41.9	-7.6	***	-18.1
Employed and not receiving AFDC/TFA	13.9	21.4	-7.5	***	-35.0
Neither employed nor receiving AFDC/TFA	13.0	13.5	-0.5		-3.7
Last quarter of Year 2					
Employed and receiving AFDC/TFA	23.8	20.0	3.9	***	19.3
Not employed and receiving AFDC/TFA	21.4	31.0	-9.6	***	-30.9
Employed and not receiving AFDC/TFA	34.2	30.4	3.8	***	12.5
Neither employed nor receiving AFDC/TFA	20.6	18.7	1.9	*	10.3
Last quarter of Year 3					
Employed and receiving AFDC/TFA	12.8	14.4	-1.7	*	-11.5
Not employed and receiving AFDC/TFA	12.9	22.6	-9.7	***	-42.8
Employed and not receiving AFDC/TFA	45.9	39.1	6.8	***	17.3
Neither employed nor receiving AFDC/TFA	28.4	23.8	4.6	***	19.3
Sample size	2,396	2,407			

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records and Connecticut AFDC/TFA records.

NOTES: The sample includes members randomly assigned between January, 1996 and February, 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Distributions may not add to 100 percent because of rounding.

By the last quarter of Year 3, the program began to *decrease* the number of people combining work and welfare, which implies that most individuals who were allowed to combine work and welfare because of the Jobs First disregard had reached the time limit and had their case closed by the end of Year 3. Less than 13 percent of the Jobs First group continued to combine work and welfare. Either these individuals had not reached the time limit or they had reached the time limit and been given an extension.²⁰

More interesting is the program's emerging impact on the proportion of those who were neither working nor receiving cash assistance. About 28 percent of the Jobs First group fell into this category compared with about 24 percent of the AFDC group, for an impact of nearly 5 percentage points. This result suggests that a growing number of people lost employment after their case had been closed, but had not returned to cash assistance in Connecticut. However, further analysis (not shown) found that in the last quarter of Year 3, Jobs First increased the percentage of sample members receiving Food Stamps only, somewhat compensating for the increase in the percentage not working or receiving AFDC/TFA. This can also be seen in the bottom panel of Table 3, which showed that, in the last quarter of Year 3, Jobs First increased the percentage of sample members without *any* income from administrative records by a relatively moderate 2.2 percentage points.

Overall, Table 4 shows that Jobs First seems to be achieving its goal of increasing self-sufficiency through work. By the end of the follow-up period, Jobs First group members are significantly more likely to work without receiving cash assistance, are significantly less likely to receive welfare without working and, as discussed earlier, have a higher proportion of income from earnings.

6. Impacts on employment stability. A key challenge for welfare-to-work programs is helping welfare recipients keep jobs. As noted above, Jobs First increased the employment rates of Jobs First group members throughout the first three years of the follow-up period. Another question, however, is whether Jobs First enabled sample members to keep these jobs. Table 5 sheds light on this question.

The first three rows of the table show the impacts of Jobs First on selected indicators of continuous employment drawn from the UI data. The first row of the table indicates that approximately 67 percent of the Jobs First group worked at some point in the first year of the follow-up period. During the same period, approximately 58 percent of the AFDC group worked at a UI-reported job. For this analysis, these sample members were divided into two groups to shed light on the extent to which they were employed continuously: (1) those who worked in the first year and were employed in at least six of eight quarters in the last two years and (2) those who worked in the first year and were employed for fewer than six out of eight quarters in the last two years.

The table indicates that the program had as large an effect on stable employment as on employment overall. This could imply that most of the initial employment generated by Jobs First did result in employment that was "stable." In particular, Jobs First increased the proportion of people who worked

²⁰It is also possible that a few reached the time limit, had their case closed, lost their job or had their hours and earnings reduced enough to become eligible for cash assistance again, and had returned to cash assistance.

during the first year of follow-up and remained working during most of the final two years. In short, therefore, Jobs First did increase stable employment.

The last four rows of Table 5 list several indicators of employment duration and consistently show that Jobs First increased the total length of time that Jobs First group members remained employed.

Table 5
Connecticut's Jobs First Program
Impacts on Employment Stability and Duration

Outcome	Jobs First Group	AFDC Group	Difference		Percent- age Change
Ever worked in Year 1	66.7	57.7	8.9	***	15.5
Worked in first year and 6 of 8 quarters					
In last 2 years	45.2	36.2	9.0	***	24.9
Worked in first year and less than 6 out of 8 quarters					
In last 2 years	21.5	21.6	-0.1		-0.3
Employed all 4 quarters of year 3	44.7	38.8	6.0	***	15.4
Employed all 8 quarters of years 2 and 3	31.9	26.0	5.9	***	22.6
Employed all 12 quarters	20.1	16.9	3.2	***	18.8
Average employment rate, Years 1-3	54.8	47.5	7.3	***	15.3
Sample size (Total=4,803)	2,396	2,407			

SOURCE: MDRC calculations using Connecticut unemployment insurance (UI) earnings records.

NOTES: The sample includes members randomly assigned between January, 1996 and February, 1997. A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

III. Impacts of Jobs First for Subgroups

This section investigates the impacts of Jobs First on three key subgroups — individuals who were applying for cash assistance when they were randomly assigned (applicants), those who were already receiving cash assistance when they were randomly assigned (recipients), and a subset of the recipient group: a particularly disadvantaged group of long-term recipients who had not graduated from high school and who had not worked in the year prior to random assignment. The section ends with a comparison of impacts in the two sites in the Jobs First evaluation: Manchester and New Haven.

A. Impacts for Applicants and Recipients

The interim report found that Jobs First's impacts on employment, earnings, and income were concentrated among recipients. The program's main impact on applicants (a relatively less disadvantaged group) was to increase cash assistance receipt and payments (and income). Table 6 illustrates this pattern, but also suggests that it was less pronounced in Year 3.

Table 6
Connecticut's Jobs First Program
Impacts on Employment, Earnings, Welfare Use, and Income
for Applicants and Recipients

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Applicants				
Years 1-2				
Average employment rate (%)	52.7	49.9	2.8 *	5.6
Average annual earnings (\$)	5,741	5,790	-49	-0.8
Average percent receiving AFDC/TFA (%)	59.4	50.5	9.0 ***	17.7
Average annual AFDC/TFA payments (\$)	3,240	2,538	702 ***	27.7
Average percent receiving Food Stamps (%)	61.3	56.1	5.2 ***	9.3
Average annual Food Stamp payments (\$)	1,426	1,209	217 ***	18.0
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	10,406	9,536	870 ***	9.1
Year 3				
Average employment rate (%)	59.0	55.3	3.7 **	6.7
Average earnings (\$)	8,606	8,048	558	6.9
Average percent receiving AFDC/TFA (%)	26.4	30.1	-3.7 **	-12.4
Average AFDC/TFA payments (\$)	1,359	1,550	-191 *	-12.3
Average percent receiving Food Stamps (%)	39.7	40.1	-0.4	-1.1
Average Food Stamp payments (\$)	949	917	32	3.5
Average income from earnings, AFDC/TFA, and Food Stamps (\$)	10,915	10,516	399	3.8
Sample size	901	979		
Recipients				
Years 1-2				
Average employment rate (%)	52.7	41.8	10.9 ***	26.0
Average annual earnings (\$)	4,637	3,890	747 ***	19.2
Average percent receiving AFDC/TFA (%)	77.6	74.1	3.5 ***	4.7
Average annual AFDC/TFA payments (\$)	4,552	4,059	492 ***	12.1
Average percent receiving Food Stamps (%)	80.5	79.9	0.6	0.8
Average annual Food Stamp payments (\$)	2,139	1,999	140 ***	7.0
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	11,328	9,948	1,379 ***	13.9
Year 3				
Average employment rate (%)	58.7	50.7	8.0 ***	15.8
Average earnings (\$)	7,065	6,393	672 **	10.5
Average percent receiving AFDC/TFA (%)	38.4	50.2	-11.8 ***	-23.5
Average AFDC/TFA payments (\$)	2,162	2,708	-546 ***	-20.2
Average percent receiving Food Stamps (%)	58.2	61.8	-3.7 **	-5.9
Average Food Stamp payments (\$)	1,570	1,596	-26	-1.6
Average income from earnings, AFDC/TFA, and Food Stamps (\$)	10,797	10,697	100	0.9
Sample size	1,495	1,428		

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

During Year 3, recipients continued to exhibit more positive employment and earnings impacts than applicants, but the differences are not as large as in the earlier period: impacts for the recipient group declined somewhat and impacts for the applicants grew slightly larger. Moreover, Jobs First generated decreases in AFDC/TFA receipt and payments for both groups in Year 3. Thus, neither group experienced a statistically significant increase in income in that year.

B. Impacts for the Most Disadvantaged Welfare Recipients

Critics of time-limited welfare sometimes argue that time limits will hurt individuals who are incapable of working or finding other means of support. If those individuals are cut off welfare, their income may be substantially reduced and they may be thrust further into poverty. To investigate this possibility, Table 7 presents impacts of Jobs First for a particularly disadvantaged group of sample members — individuals who received cash assistance for at least 22 of the 24 months prior to random assignment, who had not received a high school diploma by the time of random assignment, and who had not worked in the year prior to random assignment.²¹ Because these individuals lack job skills and work experience, they are likely to have the hardest time finding employment.

As discussed in the interim report, the results for the first two years are striking. Employment increased by about 14 percentage points. Earnings increased substantially, from \$1,428 per year for the AFDC group to \$2,413 per year for the Jobs First group, a 69 percent increase. Income increased by \$1,120 per year, or 13 percent.

On the other hand, Jobs First did not significantly increase receipt of cash assistance or cash assistance amounts for this group. This suggests that the same number of people left welfare for work in the Jobs First group as in the AFDC group, a somewhat surprising result considering that the Jobs First disregard probably would have allowed some of these people to continue receiving cash assistance under Jobs First.

Table 7 shows the same outcomes for Year 3, after some individuals reached the Jobs First time limit. After the time limit, the program continued to have impressive impacts on employment and earnings for the most disadvantaged. Jobs First increased employment by nearly 12 percentage points and increased earnings by about 40 percent.

However, unlike in the earlier period, in Year 3, the program substantially decreased receipt of cash assistance and cash assistance amounts, as it did for the larger group of recipients described earlier. As a result, the program's impact on income from earnings and public assistance diminished in Year 3, and was no longer statistically significant. Further analysis found that Jobs First increased cash assistance receipt, but did not increase employment or earnings for the least disadvantaged sample members. These results are presented in Appendix Table 2.

²¹Specifically, this group includes all individuals who (1) had received AFDC in 22 of the 24 months prior to random assignment, according to administrative records; (2) had not received either a high school diploma or a GED, according to the BIF; and (3) had no earnings reported to the Connecticut UI system in the year prior to random assignment.

Table 7
Connecticut's Jobs First Program
Impacts on Employment, Earnings, Welfare Use, and Income
for Most Disadvantaged* Sample Members

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Years 1 - 2				
Average employment rate (%)	33.3	19.3	14.1 ***	73.0
Average annual earnings (\$)	2,413	1,428	985 ***	69.0
Average percent receiving AFDC/TFA (%)	80.7	80.2	0.5	0.6
Average annual AFDC/TFA payments (\$)	4,838	4,761	77	1.6
Average percent receiving Food Stamps (%)	84.8	84.5	0.3	0.4
Average annual Food Stamp payments (\$)	2,324	2,267	57	2.5
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	9,575	8,455	1,120 ***	13.2
Year 3				
Average employment rate (%)	41.8	30.2	11.6 ***	38.6
Average earnings (\$)	4,167	2,973	1,195 ***	40.2
Average percent receiving AFDC/TFA (%)	48.3	59.5	-11.2 ***	-18.8
Average AFDC/TFA payments (\$)	2,760	3,439	-679 ***	-19.7
Average percent receiving Food Stamps (%)	67.8	70.0	-2.1	-3.0
Average Food Stamp payments (\$)	1,856	1,892	-36	-1.9
Average income from earnings, AFDC/TFA, and Food Stamps (\$)	8,783	8,303	480	5.8
Sample size	414	355		

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

*"Most disadvantaged" individuals are those who did not have a high school diploma or GED certificate at random assignment, did not work for pay in the year prior to random assignment, and did receive AFDC in more than 21 months during the two years prior to random assignment.

C. Impacts by Site: Manchester and New Haven

As discussed in the interim report, Manchester and New Haven are quite different places, with different implementation of the Jobs First program. Fewer sample members in New Haven had ever worked and fewer had worked in the year prior to random assignment. A higher proportion of sample members in Manchester were applying for cash assistance when they were randomly assigned, whereas a higher proportion in New Haven were already recipients of cash assistance.²²

Considering these differences, one might expect impacts of Jobs First on employment and earnings to be smaller in Manchester than in New Haven, reflecting the program's smaller impacts for applicants than for recipients. In fact, however, Table 8 shows that, in the first part of the follow-up period, impacts on employment and earnings were larger in Manchester, perhaps reflecting that office's stronger implementation of the "work first" approach (as discussed in the interim report, the New Haven office maintained a somewhat stronger emphasis on education and training, even early in the follow-up period).

Although Manchester initially had larger employment and earnings gains than New Haven, Table 8 shows that the situation was different in Year 3, when impacts on employment were about the same in both sites. This may reflect AFDC group catch-up in Manchester, where members of the Jobs First group were encouraged to take a job quickly and where many members of the AFDC group were applicants who would normally find a job within two years of random assignment.

Perhaps more surprising is the impact on earnings in the two sites. Manchester barely increased earnings at all in Year 3, while New Haven continued to produce statistically significant earnings gains. The growing impacts in New Haven may reflect the delayed effect of the skill-building activities allowed in that site. However, given that the Manchester impact on earnings declined very late in the follow-up period, it is not possible at this time to determine whether or not this is indicative of a real trend. With longer follow-up, which will be available in the final report, it will be clearer whether differences in impacts between Manchester and New Haven were ongoing or temporary.

IV. Background Characteristics of the "Multiple Extension" Group

As noted earlier, a substantial fraction of the recipients who reach the time limit in Connecticut — notably those with income below the payment standard — receive at least one six month extension. Although the analysis in MDRC's interim report showed that most people who receive extensions leave TFA within the subsequent 15 months, many observers have expressed concern about the families that have received multiple extensions, some of whom are approaching the 60-month federal TANF time limit. Statewide statistics for September 2000 showed that

²²Outcomes for the AFDC group also confirm that the Manchester sample was more job-ready: Both employment and earnings were substantially higher among the AFDC group in Manchester, compared to the New Haven AFDC group.

Table 8
Connecticut's Jobs First Program
Impacts on Employment, Earnings, Welfare Use, and Income,
for New Haven and Manchester DSS Offices

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
New Haven				
Years 1-2				
Average employment rate (%)	50.0	43.4	6.6 ***	15.2
Average annual earnings (\$)	4,767	4,412	355 **	8.0
Average percent receiving AFDC/TFA (%)	72.7	67.5	5.2 ***	7.7
Average annual AFDC/TFA payments (\$)	4,204	3,653	551 ***	15.1
Average percent receiving Food Stamps (%)	76.6	74.4	2.2 **	2.9
Average annual Food Stamp payments (\$)	1,965	1,815	150 ***	8.3
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	10,936	9,879	1,056 ***	10.7
Year 3				
Average employment rate (%)	57.8	50.7	7.1 ***	14.0
Average earnings (\$)	7,409	6,664	745 ***	11.2
Average percent receiving AFDC/TFA (%)	36.8	45.2	-8.5 ***	-18.7
Average AFDC/TFA payments (\$)	2,046	2,435	-389 ***	-16.0
Average percent receiving Food Stamps (%)	55.4	57.7	-2.4 *	-4.1
Average Food Stamp payments (\$)	1,465	1,461	5	0.3
Average income from earnings, AFDC/TFA, and Food Stamps (\$)	10,921	10,560	361	3.4
Sample size	1,805	1,823		
Manchester				
Years 1-2				
Average employment rate (%)	61.6	50.0	11.7 ***	23.3
Average annual earnings (\$)	6,016	5,350	666 *	12.5
Average percent receiving AFDC/TFA (%)	63.5	56.6	7.0 ***	12.3
Average annual AFDC/TFA payments (\$)	3,494	2,899	594 ***	20.5
Average percent receiving Food Stamps (%)	61.7	58.4	3.2	5.5
Average annual Food Stamp payments (\$)	1,523	1,312	210 ***	16.0
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	11,033	9,562	1,471 ***	15.4
Year 3				
Average employment rate (%)	62.4	58.2	4.2 *	7.3
Average earnings (\$)	8,451	8,236	215	2.6
Average percent receiving AFDC/TFA (%)	23.7	33.5	-9.8 ***	-29.3
Average AFDC/TFA payments (\$)	1,189	1,722	-533 ***	-31.0
Average percent receiving Food Stamps (%)	36.8	40.0	-3.2	-8.0
Average Food Stamp payments (\$)	882	942	-60	-6.4
Average income from earnings, AFDC/TFA, and Food Stamps (\$)	10,522	10,901	-378	-3.5
Sample size	591	584		

SOURCES: MDRC calculations using data from Connecticut unemployment insurance earnings records, Connecticut AFDC/TFA and Food Stamp records.

NOTES: The sample includes members randomly assigned from January 1996 through February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, *=10 percent.

Table 9
Connecticut's Jobs First Program
Selected Characteristics of Sample Members at the Time of Random Assignment,
by Number of Countable Months of TFA Received Within 3 Years after Random Assignment

Characteristic	Number of Countable Months of TFA Received		
	0-21 ^a	22-34	35-36
<u>Demographic characteristics</u>			
Average age	31.6	29.8	31.6
Race/ethnicity (%)			
White, non-Hispanic	43.0	33.2	23.4
Black, non-Hispanic	32.9	45.7	54.0
Hispanic	23.0	20.5	21.9
Other	1.1	0.6	0.7
Marital status (%)			
Never married	56.9	70.2	75.4
Married, living with spouse	1.6	1.4	0.0
Married, living apart	19.0	12.0	7.2
Separated or divorced	21.3	16.0	16.7
Average number of children	1.6	2.0	2.3
None	9.4	6.2	4.3
1 or 2	72.9	63.6	60.7
3 or more	17.7	30.2	35.0
<u>Employment status</u>			
Employed in quarter of random assignment (%)	44.5	36.1	31.5
<u>Educational status</u>			
Highest degree/diploma earned (%)			
GED ^b	12.3	12.0	9.4
High school diploma	48.9	43.0	41.7
2 or 4 (or more) year college degree	9.9	4.7	1.4
None of the above	28.9	40.3	47.5
<u>Public assistance status</u>			
Total prior AFDC receipt ^c (%)			
None	24.6	12.6	7.9
Less than 2 years	27.9	20	11.5
2 years or more but less than 5 years	19.3	25.1	19.4
5 years or more	28.3	42.3	61.2
Resides in public or subsidized housing (%)	27.7	44.4	45.6
Sample size	1,012	754	143

SOURCE: MDRC calculations using Background Information Form data.

NOTES: A total of 161 sample members with missing Background Information Forms are not included in the table.

Invalid or missing values are not included in individual variable distributions.

Rounding may cause slight discrepancies in the calculation of sums and differences.

^a436 sample members who received more than 21 months of TFA, but were exempted at some point, were dropped from this group.

^bThe General Educational Development (GED) certificate is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

^cThis refers to the total number of months accumulated from one spell or more on an individual's own or spouse's AFDC case. It does not include AFDC receipt under a parent's name.

about 22 percent of the recipients currently subject to the time limit (nearly 3,000 families) were in at least their third extension.

Table 9 shows selected characteristics of Jobs First group members at the time of random assignment by the number of countable months of TFA used in the first three years of the follow-up period. The third column includes sample members who received TFA more or less continuously (for 35 or 36 countable months in the three-year period) and were never exempt; this group presumably received at least three six-month extensions.

The first key point to note is that only 143 people in the Jobs First group (less than 6 percent of the total) had received TFA continuously without an exemption. A larger group, 754 people (31 percent of the total), had received 22 to 34 countable months of assistance; they presumably received at least one extension but had been off TFA at least briefly.

Table 9 shows some clear patterns of background characteristics across these groups. As might be expected, those who received TFA continuously were more disadvantaged when they entered Jobs First: They were less likely to have a high school diploma or GED, had longer histories of prior AFDC receipt, and had more children (the latter result is not surprising because families who reach the time limit with income below the welfare payment standard are usually granted extensions; larger families have a higher payment standard). They were also substantially more likely to be nonwhite and to live in public or subsidized housing.²³

Interestingly, further analysis revealed that many of the 143 sample members who received TFA continuously worked a substantial amount during the follow-up period. As shown in Table 10, more than 80 percent worked at some point, and more than half of them worked five or more quarters in the three-year (12-quarter) follow-up period. Twenty-three percent worked in 9 or more quarters.

Table 10
Connecticut's Jobs First Program
Number of Quarters Employed, Years 1-3,
Among Jobs First Group Members Who Received TFA Continuously Without an Exemption

Number of Quarters Employed	Number of Jobs First Group Members	Percent
0	24	16.8
1-4	37	25.9
5-8	49	34.3
9-12	33	23.1
Total	143	100

SOURCES: MDRC calculations from Connecticut unemployment insurance (UI) earnings records and AFDC/TFA records.

²³A regression analysis found that the association between race and continuous TFA receipt was considerably weaker after controlling for other factors.

Although members of the multiple extension group were quite likely to work, their earnings were very low. For example, about three-fourths of the 143 sample members in this group worked at some point in Year 3, but the average earnings of those who worked were under \$4,000. In contrast, average Year 3 earnings among workers in the group that received 21 or fewer months of TFA were over \$14,000. The low earnings for the multiple extension group could be due to low hourly wages, low hours of employment per week, or few weeks of work during the year.

Given their low earnings, it is possible that a group of people in the multiple extension group worked fairly steadily but never earned above the payment standard, and thus continually received extensions. This is particularly likely because of the relatively large family sizes (and, hence, relatively high payment standards) for this group. However, it is also possible that many of these individuals worked sporadically and were not employed when they reached the end of their extension periods.

V. Implications of the Findings

This report adds to the previous data on Jobs First by examining impacts in the third year of the follow-up period, when a substantial fraction of the Jobs First group had reached the time limit. The new results are generally consistent with the program's goals: Jobs First increased employment and reduced reliance on public assistance in Year 3.

The report also provides new information on a group of people who have received multiple extensions and remain on TFA long after reaching the 21-month time limit. Perhaps the most important finding is that a very small proportion of those who come in contact with Jobs First fall into this category — very few sample members remained on welfare continuously (without exemptions) through the first three years of the study period. Nevertheless, because the state's overall TFA caseload is dropping, and because these "multiple extension" cases tend to accumulate on the welfare rolls, statewide data show that they now account for a significant share of Connecticut's caseload, and are thus attracting the attention of policymakers and others.

The report's findings are not detailed, but they suggest that the multiple extension group may indeed consist of people who are making a "good faith effort" to secure employment. In fact, many of them have worked for a good deal of the time they have remained on assistance. However, this group has low levels of education and long histories of welfare receipt. They are likely to be working sporadically, for low wages, and are not earning their way off assistance (many have relatively large families). If this group is of concern, especially as the 60-month federal time limit approaches, DSS and its employment services partners clearly need to target them for special intensive services.

More broadly, the report's findings suggest that the story of Jobs First is still unfolding. Two trends in particular bear careful watching. First, it appeared that Jobs First's impacts on employment and earnings were declining at the end of Year 3. If this trend continues into Year 4, the overall picture may look quite different. The evaluation's final report will examine Year 4 impacts for both the full sample and for subgroups.

Second, it now seems clear that Jobs First has begun to reduce income for a small group of families; these income losses are likely attributable to the time limit. However, this report measures income only with administrative records, and it is not clear whether the picture would be different if income were measured more comprehensively. Also, there is no way to know whether the income losses are translating into increases in material hardship. The large-scale 36-month survey, which will also be discussed in the Jobs First final report, will shed light on both of these issues.

Finally, it will be important to see whether the substantial initial income gains generated by Jobs First (or the later income losses, if they persist) led to changes in the well-being of participants' children — another issue that will be addressed in the Jobs First final report.

Because there are still several critical open questions, and because the study's final report will be available relatively soon (late this year), it would be prudent to delay making major changes in Jobs First until the final results from the evaluation are known.

Appendix Table 1
Connecticut's Jobs First Program
Impacts on Employment, Earnings, Welfare Use, and Income
for the Full Sample, by Quarter

Outcome	Jobs First Group	AFDC Group	Difference	Standard Error
Ever employed (%)				
Quarters 1-4	66.7	57.7	8.9 ***	0.00
Quarters 5-8	70.8	62.7	8.1 ***	0.00
Quarters 9-12	70.8	65.2	5.6 ***	0.00
Quarters 1-12	82.6	77.2	5.3 ***	0.00
Quarter of random assignment	40.3	38.6	1.7	0.12
Quarter 1	44.4	39.3	5.2 ***	0.00
Quarter 2	48.7	41.8	6.9 ***	0.00
Quarter 3	52.0	43.3	8.6 ***	0.00
Quarter 4	52.6	44.6	8.1 ***	0.00
Quarter 5	54.5	46.0	8.5 ***	0.00
Quarter 6	55.1	46.4	8.8 ***	0.00
Quarter 7	57.1	48.6	8.5 ***	0.00
Quarter 8	58.0	50.3	7.7 ***	0.00
Quarter 9	58.9	51.1	7.7 ***	0.00
Quarter 10	58.7	52.6	6.0 ***	0.00
Quarter 11	59.1	52.8	6.3 ***	0.00
Quarter 12	58.7	53.6	5.1 ***	0.00
Average total earnings (\$)				
Quarters 1-4	4,027	3,832	195	0.17
Quarters 5-8	6,104	5,465	639 ***	0.00
Quarters 9-12	7,655	7,056	600 **	0.01
Quarters 1-12	17,787	16,353	1,433 ***	0.01
Quarter of random assignment	610	607	3	0.89
Quarter 1	752	754	-2	0.95
Quarter 2	962	927	36	0.40
Quarter 3	1,102	1,040	63	0.14
Quarter 4	1,210	1,112	99 **	0.03
Quarter 5	1,365	1,203	162 ***	0.00
Quarter 6	1,438	1,307	131 **	0.02
Quarter 7	1,573	1,425	148 ***	0.01
Quarter 8	1,729	1,530	198 ***	0.00
Quarter 9	1,815	1,599	217 ***	0.00
Quarter 10	1,847	1,717	130 *	0.05
Quarter 11	1,973	1,807	166 **	0.01
Quarter 12	2,020	1,932	88	0.20

continued

Outcome	Jobs First Group	AFDC Group	Difference	Standard Error
Ever received any AFDC/TFA payments (%)				
Quarters 1-4	91.7	88.1	3.6 ***	0.00
Quarters 5-8	70.9	64.8	6.1 ***	0.00
Quarters 9-12	45.7	51.6	-5.8 ***	0.00
Quarters 1-12	92.8	89.6	3.2 ***	0.00
Quarter of random assignment	85.3	82.6	2.7 ***	0.00
Quarter 1	90.0	84.7	5.3 ***	0.00
Quarter 2	83.4	76.3	7.1 ***	0.00
Quarter 3	78.0	69.6	8.5 ***	0.00
Quarter 4	73.1	65.1	8.0 ***	0.00
Quarter 5	67.8	60.8	6.9 ***	0.00
Quarter 6	64.6	57.6	7.0 ***	0.00
Quarter 7	60.7	53.9	6.7 ***	0.00
Quarter 8	45.3	51.0	-5.7 ***	0.00
Quarter 9	41.9	47.1	-5.2 ***	0.00
Quarter 10	35.6	43.9	-8.4 ***	0.00
Quarter 11	31.1	41.3	-10.2 ***	0.00
Quarter 12	25.7	37.1	-11.3 ***	0.00
Average total value of AFDC/TFA payments				
Quarters 1-4	4,674	3,922	752 ***	0.00
Quarters 5-8	3,382	3,019	363 ***	0.00
Quarters 9-12	1,838	2,259	-421 ***	0.00
Quarters 1-12	9,894	9,200	694 ***	0.00
Quarter of random assignment	1,060	987	74 ***	0.00
Quarter 1	1,287	1,107	179 ***	0.00
Quarter 2	1,204	1,010	193 ***	0.00
Quarter 3	1,129	930	199 ***	0.00
Quarter 4	1,054	873	181 ***	0.00
Quarter 5	992	830	162 ***	0.00
Quarter 6	945	781	164 ***	0.00
Quarter 7	813	723	90 ***	0.00
Quarter 8	632	684	-52 **	0.01
Quarter 9	568	636	-68 ***	0.00
Quarter 10	480	589	-108 ***	0.00
Quarter 11	426	539	-113 ***	0.00
Quarter 12	363	495	-132 ***	0.00
Ever received any Food Stamps payments (%)				
Quarters 1-4	90.3	89.3	1.0	0.23
Quarters 5-8	74.2	72.3	1.9	0.13
Quarters 9-12	60.6	62.1	-1.6	0.25
Quarters 1-12	92.6	91.4	1.2	0.12

continued

Outcome	Jobs First Group	AFDC Group	Difference	Standard Error
Quarter of random assignment	87.8	87.0	0.8	0.37
Quarter 1	87.4	85.6	1.9 *	0.05
Quarter 2	82.6	80.0	2.6 **	0.02
Quarter 3	78.3	74.6	3.7 ***	0.00
Quarter 4	74.6	71.0	3.5 ***	0.00
Quarter 5	69.8	67.9	1.9	0.13
Quarter 6	67.3	65.1	2.2 *	0.10
Quarter 7	64.7	61.6	3.1 **	0.02
Quarter 8	58.2	58.8	-0.6	0.65
Quarter 9	55.6	56.8	-1.3	0.36
Quarter 10	52.3	54.8	-2.6 *	0.07
Quarter 11	49.5	52.6	-3.2 **	0.02
Quarter 12	46.1	49.3	-3.2 **	0.02
Average total value of Food Stamps received (\$)				
Quarters 1-4	2,041	1,832	209 ***	0.00
Quarters 5-8	1,671	1,553	118 ***	0.00
Quarters 9-12	1,323	1,333	-10	0.79
Quarters 1-12	5,036	4,718	317 ***	0.00
Quarter of random assignment	484	462	22 ***	0.00
Quarter 1	547	494	52 ***	0.00
Quarter 2	522	470	52 ***	0.00
Quarter 3	498	443	55 ***	0.00
Quarter 4	475	425	50 ***	0.00
Quarter 5	453	414	39 ***	0.00
Quarter 6	441	393	47 ***	0.00
Quarter 7	407	380	27 ***	0.01
Quarter 8	370	366	5	0.66
Quarter 9	356	355	1	0.91
Quarter 10	339	342	-3	0.79
Quarter 11	324	324	0	1.00
Quarter 12	303	312	-9	0.42
Total income from earnings, AFDC/TFA, and Food Stamps (\$)				
Quarters 1-4	10,742	9,586	1,156 ***	0.00
Quarters 5-8	11,158	10,038	1,120 ***	0.00
Quarters 9-12	10,816	10,648	168	0.46
Quarters 1-12	32,716	30,272	2,444 ***	0.00
Quarter of random assignment	2,155	2,056	99 ***	0.00
Quarter 1	2,585	2,356	230 ***	0.00
Quarter 2	2,688	2,407	281 ***	0.00
Quarter 3	2,729	2,412	317 ***	0.00
Quarter 4	2,739	2,410	329 ***	0.00
Quarter 5	2,810	2,447	363 ***	0.00
Quarter 6	2,824	2,482	342 ***	0.00
Quarter 7	2,793	2,528	265 ***	0.00
Quarter 8	2,731	2,581	151 ***	0.01
Quarter 9	2,739	2,590	150 **	0.01
Quarter 10	2,667	2,648	18	0.77
Quarter 11	2,724	2,671	53	0.41
Quarter 12	2,687	2,740	-53	0.42
Sample size	2,396	2,407		

continued

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

The follow-up period begins with the first calendar quarter following the quarter in which the case was randomly assigned. The quarter of random assignment is omitted from the follow-up period because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Appendix Table 2
Connecticut's Jobs First Program
Impacts on Employment, Earnings, Welfare Use, and Income
for the Least Disadvantaged^a Sample Members

Outcome	Jobs First Group	AFDC Group	Difference	Percentage Change
Years 1 - 2				
Ever employed (%)	69.7	65.9	3.7	5.7
Average annual earnings (\$)	8,219	8,627	-408	-4.7
Ever received any AFDC/TFA payments (%)	54.9	43.4	11.6 ***	26.7
Average annual AFDC/TFA payments (\$)	2,882	2,015	867 ***	43.0
Ever received any Food Stamps payments (%)	54.3	50.4	3.9	7.7
Average annual Food Stamp payments (\$)	1,213	972	241 ***	24.8
Average annual income from earnings, AFDC/TFA, and Food Stamps (\$)	12,314	11,614	700	6.0
Year 3				
Ever employed (%)	74.5	71.3	3.2	4.4
Average earnings (\$)	11,731	12,027	-296	-2.5
Ever received any AFDC/TFA payments (%)	23.8	23.7	0.1	0.3
Average AFDC/TFA payments (\$)	1,213	1,114	99	8.9
Ever received any Food Stamps payments (%)	34.5	36.1	-1.6	-4.4
Average Food Stamp payments (\$)	772	729	43	5.9
Average income from earnings, AFDC/TFA, and Food Stamps (\$)	13,716	13,870	-154	-1.1
Sample size	239	279		

SOURCES: MDRC calculations using Connecticut unemployment insurance (UI) earnings records, Connecticut AFDC/TFA records, and Food Stamp records.

NOTES: The sample includes members randomly assigned between January 1996 and February 1997.

Dollar averages include zero values for sample members who were not employed or were not receiving AFDC/TFA or Food Stamps. Estimates were adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

The quarter of random assignment was omitted from the summary measures because sample members may have had some earnings, AFDC/TFA payments, or Food Stamp payments in that quarter, prior to their date of random assignment.

A two-tailed t-test was applied to differences between the research groups. Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

^a"Least disadvantaged" individuals are those who had a high school diploma or GED certificate at random assignment, worked for pay in the year prior to random assignment, and did not receive AFDC in more than 21 months during the two years prior to random assignment.